

COMMISSION OF THE EUROPEAN COMMUNITIES

COM (75) 575 final.

Brussels, 14 November 1975.

DRAFT

DECISION OF THE COUNCIL OF ASSOCIATION
on the application of Article 8 of the
Agreement of Association to goods manu-
factured in Member States of the
Community

DRAFT

DECISION OF THE COUNCIL OF ASSOCIATION
amending Decision No. 1/62 which laid down the
procedure for the collection of the compensatory
levy under Article 8(1) of the Association
Agreement

Proposal for REGULATION (EEC) OF THE COUNCIL

on the application of the provisions adopted within
the framework of the Association established between
the European Economic Community and Greece relating
to the movement of goods in the manufacture of which
are used products which come from third countries' and
are not in free circulation either in the Community
of in Greece

(Submitted by the Commission to the Council.)

EXPLANATORY MEMORANDUM

I.

- A. In the past the percentages used for the determination of the rates of the compensatory levy referred to in Article 8 of the Agreement of Association have been laid down step by step as a new tariff reduction came into force in Greece.

A different method was followed when the Association was extended to include the three new Member States. Thus, Decision No 3/75 laid down the percentages to be used to calculate the levy to be applied in trade between the three new Member States and Greece for the whole of the transitional period ending on 31 December 1977, with the exception, however, of the percentages to be applied in the case of exportation to Greece of goods manufactured in a new Member State and covered by Article 15 of the Agreement. This "gap" originates from the fact that the percentages to be applied to corresponding trade in goods manufactured in the Community as originally constituted had not been laid down.

Since manufacturers are interested to have complete information about the future of the levy, existing texts should be amended to state the percentages to be applied for the whole period of 22 years.

Hence the draft proposal for the first Decision of the Council of Association EEC-GREECE (Annex I).

./.

- B. Decision No 1/62 of 12 November 1962 of the Council of Association EEC-GREECE laid down the procedure for the collection of the compensatory levy under Article 8(1) of the Association Agreement. The provisions relating to the operative date for the calculation of the rate of the levy would, at that time, be the same as those in operation for intra-Community-trade.

Subsequently, the Council adopted, on 4 March 1969, a Directive on the harmonisation of provisions laid down by law, regulation or administrative action in respect of process inwards. (Directive No. 69/73 (EEC) - O.J. No L 58 of 28 March 1969). Since most manufacture of products, which gives rise to the collection of the compensatory levy under Article 8, is carried out under the process inwards procedure it is appropriate for administrative reasons to align the procedure for the collection of the compensatory levy with the provisions laid down under that Directive for the collection of customs duties when compensating goods in goods resulting from process are entered for home use.

This consequence stemming from Decision No 1/62 is particularly desirable since the rules in respect of the levy in force in intra-Community trade (trade between the original Member States and the new Member States as well as between the new Member States) have already been aligned on the provisions of Directive No 69/73 (see Commission Regulation (EEC) no 335/73 of 10 December 1973 published in O.J. L 341 of 12 December 1973).

The alignment of Decision No 1/62 on the Community provisions referred to above means, in so far as it eliminates an anomaly, a procedural simplification and at the same time comes nearer to the sense of Article 11 of the Athens Agreement.

The draft proposal for the second Decision of the Council of Association (Annex II) is also attached.

./.

2

- C. It should be emphasized that the Customs Co-operation Committee EEC-GREECE opined favourably on the two draft Decisions at the 7th meeting held in Brussels.

II.

The Council of the European Communities in Regulation 610/72 of 23 March 1972⁽¹⁾, amended several times and last amended by Regulation 1496/75 of 11 June 1975⁽²⁾, has adopted provisions for the implementation of Decisions taken by the Council of Association EEC-GREECE on the application of Article 8 of the Athens Agreement. In view of the amendments involved under I by the proposals for Decisions the regulation should reflect the new situation. Moreover so that the current text of the regulation can be consulted without undue research the existing texts should be replaced by a consolidating regulation. Hence, proposals for a Regulation to be adopted by the Council of the European Communities (Annex III)

(1) OJ No.L 75, 28.3.1972, p. 7

(2) OJ No.L 153, 13.6.1975, p.1

Draft
of
Decision of the Council of Association
on the application of Article 8 of the
Agreement of Association to goods
manufactured in Member States of the
Community

THE COUNCIL OF ASSOCIATION,

Having regard to the Agreement establishing an Association between the European Economic Community and Greece and in particular Article 8 (1) thereof and Protocol No 3 thereto;

Whereas Decision No 1/74 of the Council of Association, on the application of the provisions of Article 8 of the Agreement of Association to goods obtained in the Member States of the Community as originally constituted under which the elimination of customs duties follows the time-table laid down in Article 15 thereof, fixed the percentage of the customs duties of the Common Customs Tariff to be applied at 36%; whereas under Decision No 3/75 of the Council of Association the percentage to be applied in respect of the same goods obtained in the new Member States is 21% ;

whereas the time-table under which Greece will progressively abolish customs duties for the goods referred to above is set out in Article 15(1) of the Agreement of Association ;

whereas therefore the percentage to be applied for determining the rates of the levy referred to in the said Article 8 should, in respect of such goods, now be fixed for the whole period referred to in the said Article 15(1);

whereas the said percentages should apply to the customs duties of the ECSC unified tariff in all cases where the products are covered by the Treaty establishing the European Coal and Steel Community,
HAS DECIDED :

- 5 -

Article 1

1. As regards goods obtained in Member States of the Community and subject to the provisions of Article 15 thereof, the percentage of the customs duties of the Common Customs Tariff to be applied when determining the rate of the levy referred to in Article 8 of the Agreement of Association shall be as follows :

for the period from 1 January 1976 to 30 June 1977	$\frac{2}{2}$ 44
1 July 1977 to 31 December 1978	52
1 January 1979 to 30 June 1980	60
1 July 1980 to 31 December 1981	68
1 January 1982 to 31 December 1982	76
1 January 1983 to 31 December 1983	84
1 January 1984 to 31 December 1984	92
with effect from 1 January 1985	100

2. By way of derogation from paragraph 1, the percentage to be applied for goods referred to in paragraph 1 which are obtained in a new Member State shall, for the period 1 January 1976 to 30 June 1977, be 35.2%.

Article 2

As regards goods manufactured from products within the province of the European Coal and Steel Community the percentages referred to in Article 1 shall apply to the customs duties of the unified tariff in force in the Community as originally constituted in respect of products within the province of the European Coal and Steel Community used in the manufacture of those goods.

Article 3

This Decision shall apply with effect from 1 January 1976.

Done at Brussels,

For the Council of Association

The President

5

Draft

of a

DECISION OF THE COUNCIL OF ASSOCIATION No..../75
amending Decision No. 1/62 which laid down the
procedure for the collection of the compensatory
levy under Article 8(1) of the Association

Agreement

THE COUNCIL OF ASSOCIATION

having regard to the Agreement establishing an Association between the European
Economic Community and Greece, and in particular Article 8(2) thereof;

whereas Decision No 1/62 laid down a procedure for the collection of the
compensatory levy under Article 8(1) of the Agreement of Association, bearing in mind
the rules which, at that time, obtained in trade between Member States ;

whereas the rules now in force for the collection, where appropriate, of the compensatory
levy in respect of trade between the original Member States and the new Member
States and between the new Member States themselves differ from those previously
in force as regards the relevant date for determining the rate of said
levy; whereas therefore the rules applicable to trade
within the Association should be amended;

HAS DECIDED :

Article 1

Article 2 of Decision No 1/62 is amended to read as follows :

"Article 2

The relevant date for determining the percentage of the compensatory levy shall
be that on which the competent customs authority accepts the document by which the
declarant states his intention to export the goods referred to in Article 1.
However, when these goods are placed in customs warehouses or in a
free zone in the State of manufacture before being so exported the
relevant date shall be that on which the competent customs authority
accepts the document by which the declarant states his intention to place the goods
under one or other of the systems referred to above.

Article 2a

The relevant date for determining the rate of customs duty shall be that on which the products from third countries outside the Association, are entered under the procedure under which manufacture is carried out."

Article 2

This Decision shall apply with effect from 1st January 1976.

Done at

For the Council of Association
The President

Proposal

for

REGULATION (EEC) No.....OF THE COUNCIL

of

on the application of the provisions adopted within
the framework of the Association established between
the European Economic Community and Greece relating
to the movement of goods in the manufacture of which
are used products which come from third countries and
are not in free circulation either in the Community
or in Greece

THE COUNCIL OF THE EUROPEAN COMMUNITIES

Having regard to the Treaty establishing the European Economic Community, and
in particular Article 113 thereof ;

Having regard to the proposal from the Commission ;

Whereas Article 8 of the Agreement establishing an Association between the
European Economic Community and Greece laid down the conditions under which the
provisions relating to free circulation may apply to goods in the manufacture
of which are used products which originate in third countries and are not in free
circulation either in the Community or in Greece; whereas these conditions entail,
in particular, the charging of a levy by the State where the goods are manu-
factured ;

Whereas the procedure for the charging of such levy and the percentage to be
used to calculate the rate thereof during the different periods referred to
in Article 14 and 15 of the Agreement of Association are laid down by the
Council of Association EEC-GREECE;

Whereas, in order to ensure uniform implementation within the Community of the
relevant Decisions taken by the Council of Association, ⁽¹⁾ the Council of
the European Communities adopted Regulation (EEC) No 610/72 on 23 March 1972
on the application of the provisions adopted within the framework of the
Association established between the European Economic Community and Greece
relating to the movement of goods in the manufacture of which are used products
which come from third countries and are not in free circulation in the Community
or in Greece ; whereas the said Regulation has been amended several times

(1) OJ No L 75, 28.3.1972, p.7

to take account of other Decisions subsequently adopted by the Council of Association and whereas Decisions Nos /75 and /75 which have been recently adopted require a further amendment of the said Regulation ;
whereas the said Regulation should be replaced by a new consolidating Regulation so that users can refer to an up to date text;

HAS ADOPTED THIS REGULATION :

TITLE 1

Article 1

For the purposes of the Agreement establishing an Association between the European Economic Community and Greece, goods obtained or produced in the Community in the manufacture of which are used products imported from a country outside the Association and which were not, within the meaning of that Agreement, in free circulation either in the Community or in Greece, shall be considered as fulfilling the conditions for implementation of the Athens Agreement relating to the progressive elimination in Greece of customs duties, quantitative restrictions and all other measures having equivalent effect, subject to the following provisions being complied with.

Article 2

The exporting Member State shall charge a levy on goods obtained or produced as provided in Article 1, the rate of which shall be equal to a percentage of the duties in the Common Customs Tariff which are applicable to the products used in their manufacture.

As regards goods manufactured from products within the province of the European Coal and Steel Community, this percentage shall apply to the customs duties of the unified tariff in force in the Community as originally constituted in respect of products within the province of the European Coal and Steel Community used in the manufacture of those goods.

(1) OJ n. L 75 of 28.3.1972, p.7

Article 3

The levy charged on goods obtained or produced under the conditions specified in Article 1 shall be calculated by reference to the type and value - or where appropriate on some other basis of assessment - of the products imported from countries outside the Association and used in their manufacture, as determined by Customs when those goods were admitted to the customs procedure under which that manufacture took place.

Article 4

The relevant date for determining the percentage of the compensatory levy shall be that on which the competent customs authority accepts the document by which the declarant states his intention to export the goods referred to in Article 1.

However, when these goods are placed in customs warehouses or in a free zone in the State of manufacture before being so exported the relevant date shall be that on which the competent customs authority accepts the document by which the declarant states his intention to place the goods under one or other of the systems referred above.

The relevant date for determining the rate of customs duty shall be that on which the products from third countries outside the Association are entered under the procedure under which manufacture is carried out.

TITLE II

Article 5

As regards goods subject to the provisions of Article 14 of the Athens Agreement the percentage of the duties to be applied when determining the rate of the levy referred to in Article 2 shall be as follows :

- from 1 February 1966 to 14 September 1967	30%
- from 15 September 1967 to 31 December 1968	40%
- from 1 January 1969 to 30 June 1970	50%
- from 1 July 1970 to 31 March 1972	60%

- from 1 April 1972 to 31 December 1972	70%
- from 1 January 1973 to 31 December 1973	80%
- from 1 January 1974 to 31 December 1974	90%
- from 1 January 1975	100%

Article 6

As regards goods subject to the provisions of Article 15 of the Agreement of Association, the percentage of the duties to be applied when determining the rate of the levy referred to in Article 2 shall be as follows :

- from 1 January 1973 to 30 June 1974 :	28%
- from 1 July 1974 to 31 December 1975 :	36%
- from 1 January 1976 to 30 June 1977 :	44%
- from 1 July 1977 to 31 December 1978 :	52%
- from 1 January 1979 to 30 June 1980 :	60%
- from 1 July 1980 to 31 December 1981 :	68%
- from 1 January 1982 to 31 December 1982 :	76%
- from 1 January 1983 to 31 December 1983 :	84%
- from 1 January 1984 to 31 December 1984 :	92%
- from 1 January 1985	100%

Article 7

By way of derogation from Articles 5 and 6 , the percentage of duties to be applied as regards goods obtained or produced in the new Member States shall be as follows :

(a) - from 1 July 1975 to 31 December 1975	60%
- from 1 January 1976 to 30 June 1977	80%

for goods subject to the provisions of Article 14 of the Association Agreement ;

(b) - from 1 July 1975 to 31 December 1975	21,6%
- from 1 January 1976 to 30 June 1977	35,2%

for goods subject to the provisions of Article 15 thereof.

Article 8

Notwithstanding Article 2, no levy shall be charged if the relevant date falls :

- within the period ending 31 January 1966 in respect of those goods obtained or produced in the Community as originally constituted and subject to the provisions of Article 14 of the Agreement,
- within the period ending 31 December 1972 in respect of those goods obtained or produced in the Community as originally constituted and subject to the provisions of Article 15 of the Agreement,
- within the period ending 30 June 1975 in respect of those goods obtained or produced in a new Member State.

Article 9

Notwithstanding Article 2, no levy shall be charged if the goods obtained or produced in Member States of the Community are listed in Annex II to the Association Agreement but are not listed in Annex III thereto, even if they are included in the list annexed to Protocol No 13.

TITLE III

Article 10

1. Regulation (EEC) No 610/72 is hereby repealed.
2. In all Community instruments in which reference is made to Regulation (EEC) n° 610/72, or to any Articles thereof, such references shall be treated respectively as making reference to this Regulation or to the corresponding Articles thereof.

Article 11

This Regulation shall enter into force on 1 January 1976.

12

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels

For the Council

The President

